

2009-2010 One Year Action Plan

1

RECOMMENDED FUNDING ALLOCATIONS

**PRESENTED AT CITY COUNCIL
WORKSHOP
NOVEMBER 25, 2008**

Overview - Background

2

- The City receives HUD funding annually.
- This comes as an “entitlement” based on a Federal formula which considers local population, poverty level, and other statistics.
- The City’s funding allocations must be made in accordance with Federal guidelines and the approved **Consolidated Plan**.

Overview, cont'd

3

- The **Consolidated Plan** includes:
 - Community Profile
 - Housing and Community Development Needs
 - Housing and Community Development Strategic Plan
 - One Year Action Plan

Overview, cont'd

4

- The **Consolidated Plan** also includes a Neighborhood Revitalization Plan, in which areas have been identified for certain incentives, as well as for investment of CDBG and HOME funds.

2009-2013 Consolidated Plan

5

- The City's current 2004-2008 Consolidated Plan expires on June 30, 2009.
- The Five Year Consolidated Plan for the 2009-2010 funding, is being developed.
- It is due to HUD by May 15, 2009.
- The 2009-2010 allocations herein, are based on priorities in the existing Consolidated Plan.

Funding Sources/Purposes

6

- **Community Development Block Grant (CDBG).** To develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons.
- **HOME Investment Partnerships (HOME).** To fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people.
- **Emergency Shelter Grant (ESG).** The first step in a continuum of assistance to prevent homelessness and to enable homeless individuals and families to move toward independent living.

Process – Overview

7

- Staff estimate funding amounts (Nov)
- City Council designates funding categories and amounts during a Public Hearing (Dec)
- Council appoints Grants Review Committee (GRC) to review applications and recommend funding (Dec)
- Staff issue RFPs and applications based on funding categories and amounts (Dec)

Process (cont'd)

8

- Proposals and applications are received (Dec)
- Proposals and applications are reviewed by the GRC and another Public Hearing is held (Jan)
- The GRC submits recommendations to the City Manager (Feb)
- GRC recommendations are forwarded to the City Council (Feb/March)
 - Recommendations will include modifications if necessary, based on final HUD allocations

Today's Purpose

9

- Identify estimated funding for 2009-2010
- Identify funding categories and amounts

Note: HUD officials have not provided funding estimates for 2009. The following estimates were prepared by staff based on past funding trends.

2009 CDBG Estimate

10

- City staff estimate a 5% reduction in 2009 (based on a 6-year average reduction of 4.86%)
 - 2008: \$2,813,499
 - 2009: \$2,672,824

2009 HOME Estimate

11

- City staff estimate a 4% reduction in 2009 (based on a 6-year average reduction of 4.21%)
 - 2008: \$1,650,087
 - 2009: \$1,584,163

2009 Emergency Shelter Grant Estimate

12

- City staff estimate a 1% reduction in 2009 (based on a 6-year average reduction of 1%)
 - 2008: \$125,779
 - 2009: \$124,521

Allocation Considerations

13

- CDBG funding is allocated to the same areas as in the past, with one new addition
- CDBG Public Services funding category is capped at \$1,163,310.
- CDBG Administration and Planning is capped at 20% of our allocation or \$534,564 (based on 2009 estimated allocation)
- HOME funding will continue to focus on homeownership.

Staff Recommendations: Housing Projects - \$1,202,124

14

- **Housing (Repairs & Clean Up)**
 - 2008: \$1,008,171
 - 2009: \$1,031,124
- **Office of Central Inspection (Demolition & Clearance)**
 - 2008: \$171,000
 - 2009: \$171,000

Staff Recommendations: Public Services - \$938,883

15

- **Neighborhood Assistance**
 - 2008: \$325,108
 - 2009: \$343,059
- **Housing First Coordinator**
 - 2008: \$60,000
 - 2009: \$63,605
- **Women's Services**
 - 2008: \$269,033
 - 2009: \$269,033

Staff Recommendations: Public Services (cont'd)

16

- **Youth Recreation & Enrichment**

- 2008: \$100,000
- 2009: \$100,000

- **Summer Youth Employment**

- 2008: \$163,186
- 2009: \$163,186

Note: Public Services expenses are capped at \$1,163,310; current recommendations total \$938,259.

Staff Recommendations:

Planning & Administration - \$531,821

17

- Housing & Community Services Dept.
 - 2008: \$334,239
 - 2009: \$351,217
- Planning Department
 - 2008: \$116,372
 - 2009: \$122,871
- City Indirect Costs
 - \$57,749

NEW!

Homeless Resource and Referral Center

18

- \$200,000 has been designated from unexpended funds from completed projects, to Capital Projects for the Homeless Resource & Referral Center (Capital Campaign).
- Normally such funds would be rolled into Program Income for Neighborhood Stabilization (see next slide).

Footnotes to CDBG Recommendations

19

- **Neighborhood Stabilization (NS)**
 - Program Income and leftover funds from closed projects, are generally calculated in late winter & made available for neighborhood stabilization initiatives in Districts 1, 3, 4, and 6.
 - NS funds have been allocated in the past, for public facility improvements.
 - Staff will provide Council with amounts and recommendations in early spring.

Staff Recommendations: HOME Project Allocations

20

- Allocation categories are consistent with 08-09, however line items have been modified.
- In all cases but one, funding recommendations have decreased, due to anticipated reduced funding.
- The exception is the Housing Development Loan Program which has increased, to support new housing construction.

Selected HOME Allocations

21

○ HOME Administration

- ✦ 2008: \$165,008
- ✦ 2009: \$158,416

○ HOME 8o

- ✦ 2008: \$563,217
- ✦ 2009: \$553,122

○ Boarded Up House

- ✦ 2008: \$200,000
- ✦ 2009: \$150,000

Selected HOME Allocations (cont'd)

22

- **HOME Deferred Loan**

- ✦ 2008: \$175,000
- ✦ 2009: \$35,000

- **CHDO Set-Aside** (required 15% minimum)

- ✦ 2008: \$266,914
- ✦ 2009: \$237,625

- **Housing Development Loan Program**

- ✦ 2008: \$205,031
- ✦ 2009: \$400,000

HOME – American Dream Downpayment Initiative (ADDI)

23

- Staff do not usually include ADDI in the annual recommendations because it has only one use: downpayment assistance.
- Because of the sharp decreases over its 5-year history (from \$250,843 to \$15,610), staff are anticipating no ADDI funds in 2009-2010.

Staff Recommendations: ESG Category Allocations

24

- Essential Services: \$37,356
- Maintenance & Operations: \$43,583
- Prevention: \$37,356
- Administration: \$6,226

Footnotes to HOME and ESG Recommendations

25

- HOME activity will continue to support homeownership
 - Three of the four ESG allocation categories have mandated caps; all have been recommended at the maximum amount allowable:
 - Essential Services – 30%
 - Homeless Prevention – 30%
 - Administration - 5%
 - Maintenance & Operations – 35%*
- *35% is the balance if all other categories are funded at maximum

Next Steps

26

- Following today's workshop, staff will make modifications as directed by Council and present the recommendations for Council approval on December 2, 2008.
- Staff will then issue RFPs and applications for Public Services funding categories
- Staff will advise Council when HUD releases final CDBG, HOME and ESG allocations, with recommended modifications as necessary.
- Final Council action will be requested in March, 2009.